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February 14, 1996

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BY HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, D.C. 20554

Re: Ex Parte Notification
Amendment to the Commission's Rules Regarding a
Plan for Sharing the Costs of Microwave Relocation,
WT Docket No. 95-157

Dear Mr. Caton:

Tenneco Energy ("Tenneco") hereby notifies the Commission that the undersigned as counsel to Tenneco, and Mr. Brady J. McConaty, PCS Project Director, and Mr. Randy P. Parker, Associate General Counsel of Tenneco, met on Tuesday, February 13, 1996, with Ms. Jackie Chorney, Legal Advisor to Chairman Hundt; Mr. Rudy Baca, Legal Advisor to Commissioner Quello; Ms. Lisa B. Smith, Legal Advisor to Commissioner Barrett; Mr. David Siddall, Legal Advisor to Commission Ness; Ms. Suzanne Toller, Legal Advisor to Commissioner Chong; Ms. Michelle Farquhar, Chief of the Wireless Telecommunications Bureau; and Mr. Ralph Haller, Deputy Bureau Chief, Mr. James Colthrap, Chief Economist, and Ms. Linda Kenney, also of the Wireless Telecommunications Bureau. The matters discussed are contained in Tenneco's filings in the above-referenced proceeding, and in the enclosed written materials distributed in the meeting.

Respectfully submitted,

Julian L. Shepard
Julian L. Shepard

Enclosure

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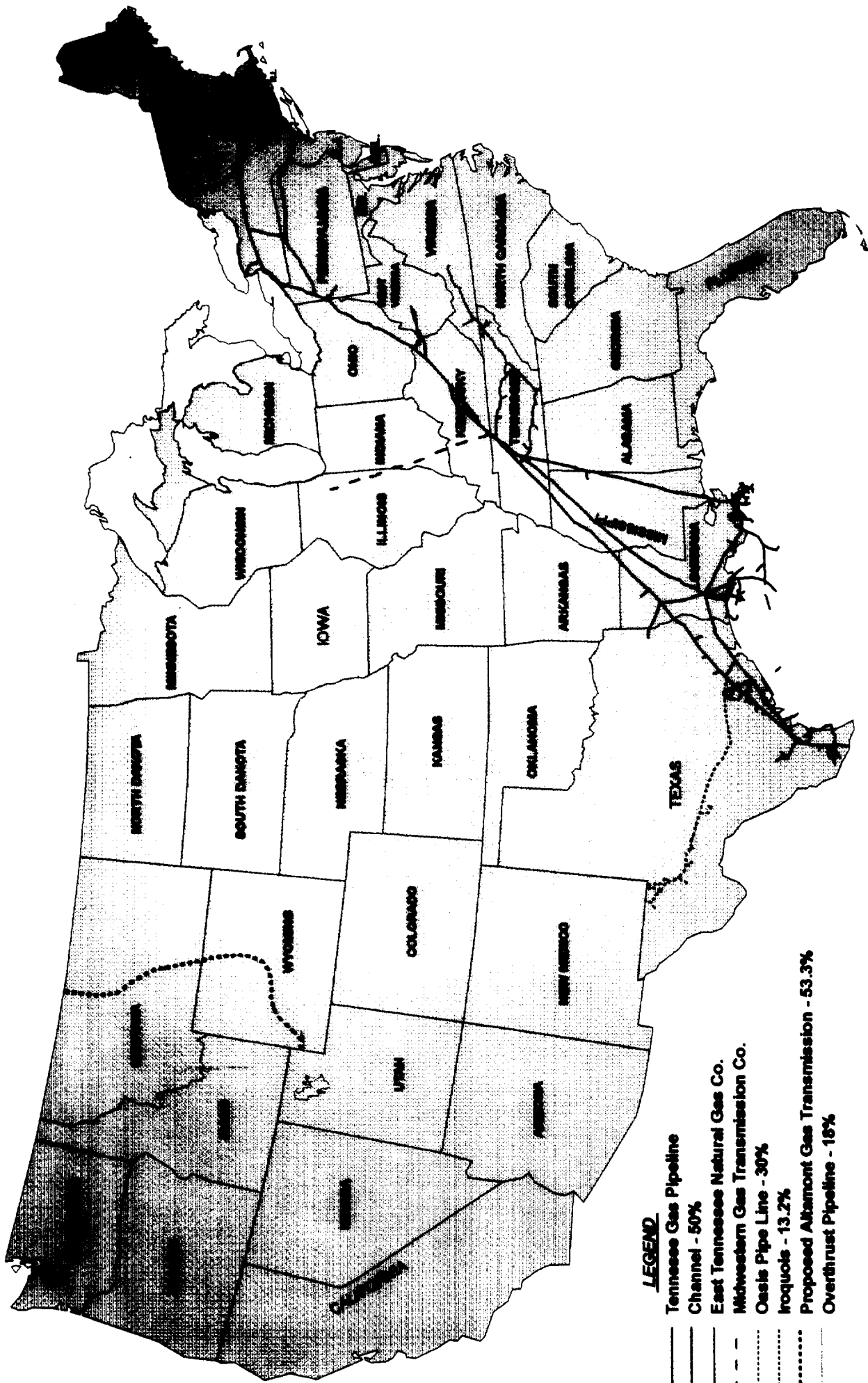
**Briefing Materials
for
FCC Staff
February 13, 1996**

Tenneco Energy

**Regarding its Ongoing Activities in
the 2 GHz Microwave Relocation**

Overview of Tenneco Energy's Gas Pipeline and Microwave Communications Systems

- **Tenneco's integrated operations include the transportation or sale of about one-sixth of all natural gas consumed in the United States.**
 - **Based in Houston, TX, and employing 3,300, Tenneco Energy ranks among the largest natural gas marketers and accounts for about five percent of total domestic sales.**
 - **As part of its core business, Tenneco operates an extensive interstate pipeline network spanning more than 14,000 miles and constitutes one of the largest single gas transmission systems in the United States.**
 - **Pipeline provides 5.5 billion cubic feet of natural gas each day -- and 3.3 trillion cubic feet annually -- to end users in 26 states, home to nearly 70 percent of all residents in the United States.**
 - **Tenneco Energy operates two 1.9 GHz microwave systems: (1) its own 102-hop system extending from Houston, TX to Buffalo, NY; and (2) a 28-hop system in South Louisiana, which extends offshore into the Gulf of Mexico, a joint venture with Union Oil. These two systems interconnect near Lafayette, LA (see attached map).**
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Tenneco Energy's Microwave Communications System Serves Two Principal Needs:

- **Safe Operation of the Pipeline -- *Tenneco's No. 1 Priority***

The safe operation of Tenneco's interstate pipeline network depends on the continued availability of a reliable, high-quality, private communications system. Tenneco's current system enables it to monitor, in real time, control pressures, flow rates and total throughput of the pipeline system to ensure safe operations system-wide and to respond quickly to emergencies.

Additionally, mobile vehicular and helicopter communications through the microwave system provide voice communications along remote areas of the pipeline and data indicating in-flight helicopter positions. These capabilities are critical to the safe functioning of the pipeline, especially during pipeline emergencies when immediate actions are required to avert serious problems.

- **Reliable and efficient delivery of natural gas to customers.**

Tenneco's competitive "bottom line" absolutely depends on its ability to transport gas across the vast pipeline network to customers efficiently, and to respond almost instantaneously to changing pipeline conditions and customer demands.

Reliable microwave communications enable Tenneco to efficiently gather and process vast amounts of data gathered from over 700 meters located throughout the TGP system, and to control remotely compressor stations along the pipeline. Disruption of this capability would potentially result in millions of dollars in lost or unmet contracts.

Tenneco is Pro-Active in the Relocation Process

- **In order to facilitate expeditious clearing of the 2 GHz band, and to ensure the rapid, rational and comprehensive relocation of its microwave communications system, Tenneco has adopted a pro-active approach to voluntary negotiations with PCS entities.**
 - **Tenneco's system is affected by eight different PCS licensees and by unlicensed PCS devices.**
 - **Thus far, Tenneco has hosted meetings with 5 licensed PCS entities. All of these PCS entities have agreed that a comprehensive approach to relocation would be in Tenneco's best interest, and are willing to work toward that end.**
-

Tenneco Favors An Approach to Microwave Relocation that is Rapid, Comprehensive, and Fair to All Parties.

- **Tenneco has proposed an expedited relinquishment of its 2 GHz frequencies if the responsible PCS entities can agree to pay the relocation costs. Under this proposal, Tenneco would cease 2 GHz operations before the end of this year.**
 - **This approach:**
 - **is premised upon the execution of a comprehensive microwave relocation agreement with all responsible PCS entities, and on the availability of suitable interim communications facilities.**
 - **is consistent with overall Commission policies favoring the relocation of incumbent fixed microwave operations to another frequency band.**
 - **This proposal would require Tenneco to cease operations on its 2 GHz microwave system before a suitable replacement system is constructed and tested. Interim facilities would be deployed pursuant to contracts with commercial carriers to bridge the gap.**
-

System-wide, Comprehensive Relocations for Large Multi-MTA Microwave Systems are in the Public Interest

- **Rapid, comprehensive relocations of incumbent microwave systems would:**
 - **provide accelerated access to the 2 GHz frequencies by all emerging technologies (licensed and unlicensed);**
 - **be consistent with overall Commission policies favoring the relocation of all incumbent fixed microwave operations to another frequency band;**
 - **ensure a smooth transition for safety of life and property communications on the microwave systems; and**
 - **reduce the costs and burdens for new entrants by: (1) leveraging volume purchasing power to reduce the overall costs of relocation; and (2) avoiding the cumbersome and drawn-out "turn-key" system replacement by the PCS entities.**
-

Regulatory Recommendations

- **Comprehensive and rapid band clearing is in the public interest, and the Commission should make every effort to ensure that its rules advance this policy and continue to provide for adequate and fair treatment of the incumbent microwave licensees.**
 - **The current proposal to make incumbent microwave licensees secondary in the 2 GHz band as of a date certain is inherently biased in favor of PCS entities.**
 - **It would result in delayed band-clearing by PCS entities and forced relocations of incumbents without appropriate compensation.**
 - **It would create an incentive for PCS entities to abdicate their band-clearing responsibilities where possible by waiting until the date certain arrives when microwave incumbents lose their interference protection.**
 - **If the Commission adopts a date certain for making incumbent microwave licensees secondary in the 2 GHz band, the Commission also should impose a deadline well in advance of the date certain when PCS entities must make an offer of comparable replacement facilities, or an offer of equivalent compensation to incumbents.**
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Regulatory Recommendations

(continued)

- **The Commission should clarify that PCS entities (licensed and unlicensed) must issue thorough Prior Coordination Notices 30 days in advance of the commencement of tests or operations in the 2 GHz band, regardless of any nationwide experimental licenses that have been issued.**
 - **During the mandatory negotiation period, the good faith negotiation requirement should be bilateral -- if an incumbent has commenced negotiations prior to the mandatory period, or if the incumbent demands that the mandatory negotiations begin, the PCS entities should be required to negotiate in good faith at the same time.**
 - **Cost-sharing/reimbursement rules should be adopted to correct the "free-rider" problem, but also to facilitate system-wide relocations, and to encourage current licensees to pay the costs of clearing the entire band as soon as possible.**
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